

**T**he following Coordinator manual is a comprehensive guide to GIC benefit procedures. For easy reference, please file this in a three-ring binder. If you have any additional questions about GIC benefits or procedures, log onto our website or call our Operations Department.

GIC forms are in the back of this manual. Please photocopy these as needed. Many GIC forms are also on our website.

**Please keep in mind that respecting the privacy rights of employees is imperative for all GIC Coordinators. Under no circumstances are you to give or solicit personal information about your employees, even with other agencies, including law enforcement personnel, without first checking with your agency's legal counsel. Doing so is a potential violation of state and federal law.**

Please remember to give all new employees and all employees at annual enrollment a *GIC Benefit Decision Guide*.



**Commonwealth of Massachusetts  
Group Insurance Commission**

*Your  
Benefits  
Connection*

**Group Insurance Commission  
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[www.mass.gov/gic](http://www.mass.gov/gic)**

# TABLE OF CONTENTS

## BENEFITS OVERVIEW

Enrollment Eligibility and Effective Dates .....	1
Benefit Options .....	2

## NEW HIRE

New Hire Elections .....	3
New Hire Not Electing Health Insurance .....	3

## CHANGES

Family Status Changes .....	5
Employment Changes .....	8

## LATE AND ANNUAL ENROLLMENT

Late Enrollment .....	9
Annual Enrollment .....	11

## LEAVE OF ABSENCE

Leave With Pay .....	14
Leave Without Pay .....	14
Returning to Work After a Leave of Absence .....	16

## TERMINATIONS

Terminating State Service.....	17
Layoff .....	20

## RETIREMENT

Retirement Procedures .....	23
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## HCSA & DCAP .....

Health Care Spending Account and Dependent Care Assistance Program .....	25
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## REPORTS

Report Procedures .....	27
Sample Discrepancy Report – Basic Life and Health & Optional Life .....	32
Sample Discrepancy Report – Dental/Vision .....	33
Sample Discrepancy Report – Long Term Disability .....	34

## FORMS

GIC Insurance Enrollment and Change Form (Form-1)	
Employee Acknowledgement Form	
Insurance Data Form (IDF)	
Beneficiary Designation Form 319	
Nomination of Beneficiary Form G-500	
Dependent Age 19 or Over Application for Coverage	
Handicapped Dependent Application	
Application to Continue Part Cost Premium (Form 11)	
Health Insurance Responsibility Disclosure (HIRD) Form (see <a href="http://www.mass.gov/dhcfp">www.mass.gov/dhcfp</a> for form)	
Pre-Tax Basic Life and Health Insurance Election Not to Participate Form	



## ENROLLMENT ELIGIBILITY AND EFFECTIVE DATES

### Basic Life & Health, Optional Life, Long Term Disability (LTD), GIC Dental/Vision and HCSA

According to Massachusetts Law Chapter 32 A, the following employees are eligible for GIC benefits:

- ❖ Permanent employees including persons employed by Employers, as outlined in CMR 1.02; officials elected to state office by popular vote during the term for which they are elected
- ❖ Employees must work at least 18.75 hours in a 37.5 hour workweek or 20 hours in a 40-hour workweek

*New employees eligible for GIC benefits and who work full-time or part-time hours of at least 18.75 hours per 37.5-hour workweek or 20 hours per 40-hour workweek can enroll.*

### COVERAGE EFFECTIVE DATE

New employee coverage begins on the first day of the month following 60 calendar days from the first date of employment, or two calendar months, whichever comes first.

#### Date of employment is from

Jan. 2- Feb. 1  
Feb. 2 – March 2  
March 3 – April 2  
April 3 – May 2  
May 3 – June 2  
June 3 – July 3  
July 4 – August 2  
Aug. 3 – Sept. 2  
Sept. 3 – Oct. 2  
Oct. 3 – Nov. 2  
Nov. 3 – Dec. 3  
Dec. 4 – Jan. 1

#### Coverage begins on

April 1  
May 1  
June 1  
July 1  
August 1  
September 1  
October 1  
November 1  
December 1  
January 1  
February 1  
March 1

Employees who do not enroll in basic life, basic life and health, optional life, LTD and GIC Dental/Vision when first eligible (see NEW HIRE section) are subject to late enrollment and annual enrollment rules. See the corresponding sections for details.

Employees of any authorities are not eligible for the GIC's Dental/Vision program. However, there are a small number of offline agencies that are eligible for this plan. Contact the GIC's Director of Operations for eligibility details.

If an employee loses health insurance elsewhere, he or she can enroll in GIC coverage at any time during the year with proof of loss of other coverage. See LATE ENROLLMENT section for details.

## BENEFIT OPTIONS

### HEALTH PLANS

Employees and their families can choose from an array of health plans. Each employee's needs are different. It is important that you, the GIC Coordinator, learn about the similarities and differences among the plans and where the plans are available. Recommend that the employee research his/her options and obtain the following information before making a selection.

#### QUESTION

Is the plan available where the employee lives?

Is the employee eligible to join?

Are the employee's doctors and hospitals in the plan?

Monthly premium cost

#### RESOURCE

*Benefit Decision Guide*

*Benefit Decision Guide*

Contact the plan by phone or website

*Benefit Decision Guide*

See the *Benefit Decision Guide* for health plan options. These are distributed immediately before annual enrollment and are on the GIC's website.

### OTHER GIC BENEFITS

In addition to health care benefits, the GIC offers the following benefit programs. You and the employee should familiarize yourselves with these programs. Additional information is in the *Benefit Decision Guide* and on our website:

- ❖ Long Term Disability
- ❖ Basic Life Insurance
- ❖ Optional Life Insurance
- ❖ Dependent Care Assistance Program (DCAP)
- ❖ Health Care Spending Accounts (HCSA)
- ❖ Dental/Vision Program for managers; employees covered by collective bargaining or employees of authorities, municipalities, and higher education not eligible

## NEW HIRE ELECTIONS

1) New employees must make their benefit elections within ten (10) calendar days of the employee's first days of employment. To select their benefits, employees must complete the following forms completely and legibly:

- ❖ Insurance Enrollment and Change Form (Form-1)
- ❖ Beneficiary Designation Form 319 (one to three beneficiaries) or Nomination of Beneficiary form G-500 (four or more beneficiaries or special designations such as estate and trust).
- ❖ Insurance Data Form (IDF) for family coverage. Must also provide:
  - For spousal coverage – copy of marriage certificate.
  - For former spouse – provide following sections of the legal separation or divorce decree: page with absolute date, health insurance language, signature pages, and former spouse's address.
  - For dependent coverage under age 19 – copy of birth certificate(s) – the GIC must be able to link the dependent to the insured or his/her spouse.
  - For dependent coverage age 19 or over – Dependent Age 19 or Over Application for Coverage and a copy of birth certificate.
- ❖ Employee Acknowledgement Form.
- ❖ HMO Application – only if NHP Care selected.
- ❖ Health Care Spending Account/Dependent Care Assistance Program application.

**NOTE:** Advise the new employee that if he/she does not elect optional life insurance coverage when first eligible or does not elect the maximum amount available, he/she may apply at any time thereafter, but will be required to provide proof of good health to the life insurance carrier unless the employee has a qualified family status change (see LATE ENROLLMENT SECTION for details).

**NOTE:** Advise the new employee that if he/she does not elect Long Term Disability coverage when first eligible, he/she may apply at any time thereafter, but will be required to provide proof of good health to the LTD carrier (see LATE ENROLLMENT SECTION for details).

All new employees should automatically be enrolled in pre-tax health insurance deductions unless they opt out of participating. This is known as a Section 125 Plan. If the employee elects to opt out, he/she must complete the Pre-Tax Basic Life and Health Insurance Plan Election Not To Participate Form.

- 2) Verify that the forms are completed accurately and completely. Ensure that the employee has checked the information entered on his/her forms, and has signed and dated all forms.
- 3) Photocopy completed GIC forms and file them in the employee's personnel file. File original Employee Acknowledgement form in employee's personnel file. **Do not send this form to the GIC.**
- 4) Send all other original signed forms to the GIC; send the HMO application, only if NHP Care is selected, directly to the Plan.
- 5) Update your payroll system with the new basic life and health premium deductions. If HCSA or DCAP is selected, send the form to the FSA carrier; do not send this form to the GIC.

## NEW EMPLOYEES WHO DO NOT ELECT GIC HEALTH INSURANCE

If a new employee does not elect GIC health insurance, he/she must complete a Health Insurance Responsibility Disclosure (HIRD) form:

- 1) Fill in the lowest available monthly employee share of GIC health insurance

individual coverage premium using the most current GIC rate sheet.

- 2) Verify that the employee has completed the form accurately and completely. If the employee refuses to complete the form, document efforts to obtain the information from the employee.
- 3) Retain all HIRD forms for three years and make them available to the Division of Health Care Finance and Policy upon request. **Do not send the form to the GIC.**

## FAMILY TO INDIVIDUAL HEALTH COVERAGE

- 1) The employee must complete and sign the following:
  - ❖ GIC Insurance Enrollment and Change Form (Form-1)
  - ❖ Beneficiary Designation Form (Form 319) – if requesting a change
- 2) The employee must provide proof of where the spouse and/or dependents will be covered for health insurance before the changes will be allowed. Acceptable proof of other coverage includes a copy of other health insurance card or a letter from the spouse's employer on their letterhead. Without this proof the GIC can deny the request for coverage change. In the case of death, a copy of the death certificate is required.
- 3) Verify that the forms above are completed accurately and completely. Ensure that both you and the employee have signed and dated all forms.
- 4) Photocopy completed GIC forms and proof of other coverage and file them in the employee's personnel file
- 5) Send original signed forms to the GIC along with the proof of other coverage.
- 6) Update your payroll system deductions.

## INDIVIDUAL TO FAMILY HEALTH COVERAGE

- 1) The employee must complete and sign the following:
  - ❖ GIC Insurance Enrollment and Change (Form-1)
  - ❖ Beneficiary Designation Form (Form 319) – if requesting a change
  - ❖ Insurance Data Form (IDF)
    - For spousal coverage – copy of marriage certificate.
    - For former spouse – provide following sections of the legal separation or divorce decree: page with absolute date, health insurance language, signature pages, and former spouse's address.
    - For dependent coverage under age 19 – copy of birth certificate(s) – the GIC must

be able to link dependent to insured or spouse.

- For dependent age 19 or over – Dependent Age 19 or Over Application for Coverage and a copy of birth certificate.
  - ❖ HMO Application – only if NHP Care selected.
- 2) Verify that the forms above are completed accurately and completely. Ensure that both you and the employee have signed and dated all forms.
  - 3) Photocopy completed GIC forms and file them in the employee's personnel file.
  - 4) Send original signed forms to the GIC; if enrolled in NHP Care, send the application directly to the Plan.
  - 5) Update your payroll system deductions.

## MOVING OUT OF THE PLAN'S SERVICE AREA OR OUT OF STATE

- 1) Obtain from employee proof of address change, such as utility bill or Purchase and Sale agreement.
- 2) Have employee complete Insurance Enrollment and Change Form (Form-1) indicating their choice of new health plan.
- 3) Photocopy forms and proof of address change and file them in employee's personnel file.
- 4) Send proof of address change and original signed Insurance Enrollment and Change Form (Form-1) to the GIC.
- 5) The GIC will determine the coverage effective date and will notify the former and new health plan.
- 6) The new health plan will send the employee ID cards and handbooks.

## ADDRESS CHANGES

The GIC must be notified of all enrollee address changes.

- 1) Instruct the employee to complete and sign Insurance Enrollment and Change Form (Form-1) with his/her new address.
- 2) Review and sign Insurance Enrollment and



- Change Form (Form-1).
- 3) Photocopy the form and file it in the employee's personnel file.
- 4) Send the original signed Insurance Enrollment and Change Form (Form-1) to the GIC.

### AGE BAND CHANGE

The GIC sends each agency a report of all employees' age changes who have elected optional life insurance and/or Long Term Disability (LTD). The report is sent the month of their birthday(s) and includes the following information:

- ❖ Employee name
- ❖ GIC Identification Number
- ❖ Date of birth
- ❖ Age
- ❖ Old age band
- ❖ Old age band premium
- ❖ New age band
- ❖ New age band premium

Upon receipt of this report, update your payroll system to reflect the new amount of LTD and/or optional life insurance premium. The effective date of the new amount of optional life insurance and/or LTD coverage is the first date of the second month following the age change.

### WITHDRAW COVERAGE

For insureds who want to cancel their GIC life and/or health insurance coverage:

- 1) Employee completes and signs GIC Insurance Enrollment and Change Form (Form-1) with cancel coverage box(es) checked and a Health Insurance Responsibility Disclosure (HIRD) form.
- 2) Fill in the lowest available monthly employee share of GIC health insurance individual coverage premium using the most current GIC rate sheet on the HIRD form.
- 3) If employee is withdrawing from health insurance and he/she has family coverage, the employee must provide proof of where spouse and/or dependents will be covered once GIC coverage is cancelled.

Acceptable proof examples: a copy of the health insurance card or a letter from the spouse's employer on their letterhead. Without this proof, the GIC can deny the request to withdraw from coverage. In the case of death, a copy of the death certificate is required.

- 4) Verify that the employee has completed the forms accurately and completely. If the employee refuses to complete the HIRD form, document efforts to obtain the information from the employee.
- 5) Retain all HIRD forms for three years and make them available to the Division of Health Care Finance and Policy upon request. **Do not send the form to the GIC.**
- 6) Review and sign Insurance Enrollment and Change Form (Form-1).
- 7) Photocopy Insurance Enrollment and Change Form (Form-1) and proof of other coverage (if applicable) and file in employee's personnel file.
- 6) Send original Insurance Enrollment and Change Form (Form-1) and proof of other coverage (if applicable) to the GIC.
- 7) Update your payroll system deductions.

### DIVORCE

In accordance with Massachusetts General Law M.G.L.-Chapter 32A Section 11a, the GIC must be informed of all legal separations and divorces. *Failure to notify the GIC may result in financial consequences to the employee and/or former spouse.*

- 1) Collect from the employee the former spouse's address and copies of the following sections of the legal separation agreement or divorce decree:
  - ❖ Page with the absolute date
  - ❖ Health insurance language
  - ❖ Signature pages
- 2) Forward these documents to the Director of Operations at the GIC.

### REMARRIAGE

If an employee or former spouse remarries, the GIC must be notified. Inform the employee that, in accordance with Massachusetts Laws MGL-32A Section 11a, health coverage for the



former spouse ends. *Failure to report a legal separation, divorce or remarriage may result in financial consequences to the employee or former spouse.*

Depending on the health insurance language in the legal separation agreement or divorce decree, the GIC will offer the former spouse COBRA coverage or a divorced spouse rider. The GIC will contact both the employee and former spouse directly.

**For Remarriage of an Employee:**

- 1) Collect from the employee:
  - ❖ Completed, signed Insurance Enrollment and Change Form (Form-1).
  - ❖ Copy of new marriage certificate.
  - ❖ Insurance Data Form (IDF).
- 2) Forward these documents to the Director of Operations at the GIC.

**For Remarriage of a Former Spouse:**

Instruct the employee to send the remarriage date in writing to the Director of Operations at the GIC.

**HANDICAPPED DEPENDENT COVERAGE**

*An unmarried child of an insured who, upon attaining age 19 is mentally or physically disabled and incapable of earning his/her own living or who became permanently and totally disabled on or after age 19 and is under age 26, may be eligible for continued GIC coverage. Family coverage is required.*

- 1) Give the employee the Handicapped Dependent Application.
- 2) Employee and Dependent's physician must complete the application and send it to the GIC.
- 3) The GIC will review the application for eligibility and will notify the insured of its decision.
- 4) The GIC sends periodic re-certification forms for continuation of handicapped dependent coverage to the employee.

**DEPENDENT AGE 19 AND OVER COVERAGE**

*Unmarried dependent coverage ends at the end of the month in which the dependent turns age 19. Dependents who qualify as dependents under Internal Revenue Service rules are eligible for coverage up to age 26 or two years after losing dependent status according to IRS rules, whichever occurs first. Family coverage is required and the insured must respond to periodic recertification requests.*

If an employee wishes to apply for Dependent Age 19 or Over coverage, instruct the employee to complete the Dependent Age 19 or Over Application for Coverage. Mailing instructions are on the form.

Remind the employee that they are required to report a change in their dependent's status; they must complete and return to the GIC another Dependent Age 19 or Over Application for Coverage. Failure to do so may result in financial consequences to the employee.

# EMPLOYMENT CHANGES

## HOURS REDUCED TO LESS THAN PART-TIME

If an employee falls below 18 3/4 hours in a 37.5-hour workweek or 20 hours in a 40-hour workweek, the employee is no longer eligible for GIC benefits. The employee may elect to continue coverage, depending on length of service, according to the guidelines and procedures listed in the TERMINATIONS section of this manual. Give the employee information on Your Agency's Section 125 Plan coverage and give the employee a Health Insurance Responsibility Disclosure (HIRD) form:

- 1) Fill in the lowest available monthly employee share of GIC health insurance individual coverage premium using the most current GIC rate sheet.
- 2) Verify that the employee has completed the form accurately and completely. If the employee refuses to complete the form, document efforts to obtain the information from the employee.
- 3) Retain all HIRD forms for three years and make them available to the Division of Health Care Finance and Policy upon request. **Do not send the form to the GIC.**

## HOURS REINSTATED TO PART-TIME OR MORE

If an employee resumes at least part-time status (18 3/4 hours in a 37.5 hour workweek or 20 hours in a 40 hour workweek) after his/her GIC coverage has been terminated, the employee is considered a new hire. He/She is subject to the new hire waiting period outlined at the beginning of this manual. Follow the NEW HIRE section. If an employee resumes at least part-time status before the coverage termination date, coverage will continue uninterrupted.

## SALARY CHANGE

If an employee's salary changes and he or she has elected LTD and/or optional life insurance with automatic increase ensure that the following procedures take place.

- 1) Complete and sign GIC Insurance Enrollment and Change Form (Form-1) on behalf of the employee indicating the new salary and effective date. [Note: You as a GIC Coordinator cannot indicate the employee's smoker status.]
- 2) Verify that the form is completed accurately and completely.
- 3) Photocopy Insurance Enrollment and Change Form (Form-1) and file in employee's personnel file.
- 4) Send **original** Insurance Enrollment and Change Form (Form-1) to the GIC.
- 5) Update your payroll system to reflect the new amount of LTD and/or optional life insurance premium. The effective date of the new amount of optional life insurance and/or LTD coverage is the first date of the second month following the salary change. The Coordinator determines the effective date for the increase in coverage and coordinate the corresponding payroll deduction for a retroactive pay increase.

## BASIC LIFE AND HEALTH INSURANCE

An employee must provide you with proof of loss of health coverage elsewhere to be eligible to enroll in GIC basic life and health coverage at any time during the year, other than during annual enrollment. Examples of acceptable proof of loss of other coverage include:

- ❖ Letter from health insurance carrier on company letterhead, or
- ❖ Letter from other employer on company or organization letterhead.

To add GIC basic life and health coverage during the year, see the NEW HIRE section for the necessary forms. Include a copy of the proof of loss of coverage with the forms sent to the GIC.

## OPTIONAL LIFE

For employees enrolling in Optional Life Insurance *after their original eligibility* (see NEW HIRE section) or changing from non-automatic to automatic increase or increasing multiple factor *when there is a non-qualifying family status change*:

- 1) Instruct the employee to complete and sign Insurance Enrollment and Change Form (Form-1). If the employee wishes to change his/her beneficiary(ies) the employee must also complete Form 319 (one to three beneficiaries) or Form G-500 (four or more beneficiaries).
- 2) Review forms for completeness.
- 3) Photocopy forms and file in employee's personnel file.
- 4) Send **original** Insurance Enrollment and Change Form (Form-1) and Beneficiary Form, to the GIC.
- 5) The GIC will notify the life insurance carrier, which will send the employee a Medical Evidence of Insurability.
- 6) The GIC will advise you and the employee of the carrier's decision and the effective date, if approved.
- 7) If approved, update your payroll system for the new premium deductions.

For employees enrolling in Optional Life Insurance *after their original eligibility* (see NEW HIRE section) *when there is a qualifying family status change*. Beginning in fall 2008, active employees have the option of enrolling in or increasing coverage in Optional Life Insurance up to four times salary within 31 days of the following family status events: marriage, birth/adoption, legal separation, divorce or death of spouse.

- 1) Instruct the employee to complete and sign Insurance Enrollment and Change Form (Form-1) and provide proof of qualified family status change within 31 days of the qualifying event: marriage, birth/adoption, legal separation, divorce, or death of spouse. If the employee wishes to change his/her beneficiary(ies) the employee must also complete Form 319 (one to three beneficiaries) or Form G-500 (four or more beneficiaries).
- 2) Review forms for completeness.
- 3) Photocopy forms and proof of family status change and file in employee's personnel file.
- 4) Send **original** Insurance Enrollment and Change Form (Form-1) and Beneficiary Form, to the GIC.
- 5) The GIC will advise you and the employee of the carrier's decision and the effective date if approved.
- 6) If approved, update your payroll system for the new premium deductions.

## LONG TERM DISABILITY

- 1) Employee must complete and sign the GIC's Enrollment and Change Form (Form-1).
- 2) Sign the GIC's Enrollment and Change Form (Form-1) and review for completeness.
- 3) Copy Form-1 and file in the employee's personnel file

- 4) Send original Form-1 to the GIC
- 5) The GIC will notify the LTD carrier of the pending application
- 6) The LTD carrier will send the employee a medical application to complete and return.
- 7) The GIC will notify the employee and the GIC Coordinator of the carrier's decision.
- 8) Update your payroll system for the new premium deductions.

### HCSA/DCAP

Employees can enroll in these benefits during the calendar year if there is a qualifying change in status. See the HCSA/DCAP section for details.

## BASIC LIFE AND HEALTH ENROLLMENT

If an employee is not currently enrolled in GIC coverage, complete the following by the end of annual enrollment:

### BASIC LIFE ONLY

Employees who want to enroll in Basic Life after the initial eligibility period has passed must wait for the next Annual Enrollment. To enroll:

- 1) Instruct the employee to complete and sign Insurance Enrollment and Change Form (Form-1) and Beneficiary Designation Form 319 (one to three beneficiaries) or Nomination of Beneficiary form G-500 (four or more beneficiaries or special designations e.g. estate and trust).
- 2) Review the form for completeness and complete the agency section.
- 3) Photocopy Insurance Enrollment and Change Form (Form-1) and file it in the employee's personnel file.
- 4) Send the **original** Insurance Enrollment and Change Form (Form-1) and Beneficiary form to the GIC.

## BASIC LIFE AND HEALTH ENROLLMENT

If an employee is not currently enrolled in GIC coverage, complete the following by the end of annual enrollment:

- 1) To select their benefits, employees must complete the following forms completely and legibly:
  - ❖ Insurance Enrollment and Change Form -Form 1
  - ❖ Beneficiary Designation Form 319 (one to three beneficiaries) or Nomination of Beneficiary form G-500 (four or more beneficiaries or special designations e.g. estate and trust).
  - ❖ Insurance Data Form (IDF) for family coverage. Must also provide:
    - For spousal coverage – copy of marriage certificate.
    - For former spouse – provide following

sections of the legal separation or divorce decree: page with absolute date, health insurance language, signature pages, and former spouse's address.

- For dependent coverage under age 19 – copy of birth certificate(s) – the GIC must be able to link dependent to insured or spouse.
- For dependent coverage age 19 or over – Dependent Age 19 or Over Application for Coverage and a copy of birth certificate.
- ❖ Employee Acknowledgement form.
- ❖ HMO Application – only if NHP Care selected.

If electing optional life insurance, the GIC will notify the life insurance carrier, which will send the employee a Medical Evidence of Insurability Application to complete and return. (If the medical application is approved, the GIC will advise you and the employee of the decision. At this time, update your payroll system with the new optional life payroll deduction.)

The employee should automatically be enrolled in pre-tax health insurance deductions unless he/she opts out of participating. This is known as a Section 125 Plan. See your payroll department for more information.

- 2) Verify that the forms above are completed accurately and completely. Ensure that the employee has checked the information entered on his/her forms, and has signed and dated all forms.
- 3) Photocopy completed GIC forms and file them in the employee's personnel file. File original Employee Acknowledgement form in employee's personnel file. **Do not send this form to the GIC.**
- 4) Send all other **original** signed forms to the GIC; if NHP Care is selected, send the HMO application directly to the Plan.

- 5) Update your payroll system with the new basic life and health premium deduction.

## BASIC LIFE AND HEALTH INSURANCE CHANGES

During annual enrollment employees may enroll in a GIC health plan if they are not currently enrolled. The change will go into effect that July 1.

For employees already in a GIC plan who wish to change plans during annual enrollment:

- 1) Employee completes and signs Insurance Enrollment and Change Form (Form-1).
- 2) Employee completes HMO application – only if NHP Care is selected.
- 3) Verify that the forms above are completed accurately and completely. Ensure that you and the employee have signed and dated all forms.
- 4) Photocopy completed GIC forms and file them in the employee's personnel file.
- 5) Send **original** signed forms to the GIC by the end of annual enrollment; send any NHP Care applications directly to the carrier.
- 6) Update your payroll system with the new premium deduction.

## OPTIONAL LIFE SMOKER STATUS

Insureds with Optional Life Insurance who have been tobacco-free for at least the past 12 months (have not smoked cigarettes, cigars, or pipes, nor used snuff or chewing tobacco) are eligible to apply for reduced optional life insurance rates during annual enrollment. The reduced Optional Life Insurance rate will be effective that July 1.

- 1) Instruct the employee to complete and sign Insurance Enrollment and Change Form (Form-1) before the end of annual enrollment, indicating he/she is a non-smoker and has been tobacco free for the past twelve months.
- 1) Photocopy Insurance Enrollment and Change Form (Form-1) and file it in the employee's personnel file.
- 2) Send the original signed Insurance

Enrollment and Change Form (Form-1) to the GIC.

- 3) Update your payroll system with the new premium deduction.

## HEALTH CARE SPENDING ACCOUNT AND THE DEPENDENT CARE ASSISTANCE FSA PRE-TAX PROGRAMS

HCSA and DCAP enrollment is on a calendar, not fiscal, year basis (January 1 - December 31). See the HCSA AND DCAP section of this manual for additional information and procedures.

## BUY-OUT

The Health Insurance Buy-Out option is only available during annual enrollment. Employees insured with the GIC for health coverage on January 1 of the current year, and who are still insured for health coverage with the GIC, and have comparable non-state coverage elsewhere may elect to participate in the Buy-Out program. The benefit is limited to twelve (12) taxable monthly payments. The payments equal 25% of the current full-cost premium for the Plan in which the employee is enrolled, based on the type of coverage (individual or family) the employee had on January 1 of the current year.

The GIC sends agencies the Buy-Out Election Form before each annual enrollment. The form is also available on the GIC's website during annual enrollment only.

- 1) Employee completes and signs Insurance Enrollment and Change Form (Form-1).
- 2) Employee completes and signs Buy-Out form.
- 3) Review these forms for completeness and complete the agency section of Insurance Enrollment and Change Form (Form-1).
- 4) Photocopy completed forms and file in the employee's personnel file.
- 5) Send original completed forms to the GIC's Operations Department by the end of annual enrollment.
- 6) Update your payroll system with the new premium deduction.



## PRE-TAX HEALTH INSURANCE PREMIUMS

During annual enrollment, or anytime during the year due to a family status change, employees may elect to opt in or out of pre-tax premium deductions. Qualifying family status changes include: marriage, legal separation, divorce, birth or adoption of a child, death of a spouse or dependent, spouse commences or is terminated from employment, employee or spouse takes unpaid leave of absence, or employee loses health insurance elsewhere through no fault of the employee.

**Opt-in:** Employees who elected NOT to participate in the pre-tax program may elect to participate. There are no GIC enrollment/change forms to be completed to enroll in the Pre-tax program. The employee must see his/her payroll department and inform them of his/her decision to have his/her deductions made on a pre-tax basis. The payroll person updates the payroll system to reflect the employee's pre-tax change election.

**Opt-out:** Employees who participate in the pre-tax program may elect NOT to participate.

- 1) The employee completes and signs the Pre-Tax Health Insurance Election Not to Participate form.
- 2) The form is forwarded to the agency's payroll department. The payroll person updates the payroll system to reflect the employee's pre-tax change election.
- 3) File the **original** form in the employee's personnel file. **You do not need to send the GIC anything.**

## GIC DENTAL/VISION

Eligible employees who did not enroll in the GIC's Dental/Vision plan when first eligible may do so during annual enrollment for coverage effective July 1. Employees currently enrolled can elect to change the dental portion of their dental/vision plan from the Indemnity Dental Plan to the PPO Dental Plan, or vice versa. Contact the GIC's Director of Operations for eligibility information and procedures.

## EMPLOYEES WITHOUT HEALTH COVERAGE WHO DO NOT ENROLL DURING ANNUAL ENROLLMENT

If an employee does not elect health insurance during the GIC's annual enrollment or during Your Agency's Section 125 Plan Open Enrollment, he/she must complete a Health Insurance Responsibility and Disclosure (HIRD) form.

- 1) Fill in the lowest available monthly employee share of GIC health insurance individual coverage premium using the most current GIC rate sheet.
- 2) Verify that the employee has completed the form accurately and completely. If the employee refuses to complete the form, document efforts to obtain the information from the employee.
- 3) Retain all HIRD forms for three years and make them available to the Division of Health Care Finance and Policy upon request. **Do not send the form to the GIC.**



# LEAVE OF ABSENCE

## LEAVE WITH PAY

If an employee is taking an approved Leave of Absence with pay (including sabbaticals and personal leaves), complete the following:

1. Complete Insurance Enrollment and Change Form (Form-1) on behalf of the employee, checking the Leave of Absence block and indicating the type of leave. Fill in the start and end date for the leave.
2. Photocopy Insurance Enrollment and Change Form (Form-1) and file in the employee's personnel file.
3. Send the **original** Insurance Enrollment and Change Form (Form-1) to the GIC.

As long as the employee continues to receive a salary, while on leave with pay, the deduction for GIC coverage will continue. If the employee's type of leave changes (for example, FMLA with pay to personal illness without pay) you must notify the GIC of this change. See the Leave Without Pay Section for instructions.

## LEAVE WITHOUT PAY AT PART COST PREMIUM

If an employee is taking an approved leave of absence without pay due to one of these three conditions, follow the procedures below:

- ❖ Industrial Accident
- ❖ Maternity
- ❖ Personal Illness (employee's illness only)

1. Complete and Sign Insurance Enrollment and Change Form (Form-1) on behalf of the employee. Check off the appropriate Leave Type and indicate the state and end date of the leave and the last date on payroll.
2. Photocopy Insurance Enrollment and Change Form (Form-1) and file in the employee's personnel file.
3. Send the original Insurance Enrollment and Change Form (Form-1) to the GIC.
4. You, the employee, the employee's physician and the Agency Head must complete Application to Continue Part

Cost Premiums (Form 11). (In the case of a personal illness without pay, the employee must exhaust his/her vacation and sick time before Form 11 is submitted.)

5. You or the employee sends the completed Form 11 and the agency head's approval letter for the leave to the GIC.
6. Update your payroll system with the correct premium amount.
7. The GIC will review the Form 11 and will notify the agency of the approval/denial.

## Leave Without Pay – Denials of Form 11

The GIC will disapprove a Form 11 because of one of the following reasons:

- ❖ Incomplete application.
- ❖ Leave has not been approved by the Agency Head.
- ❖ Agency Head letter approving the leave is missing.
- ❖ The employee has not exhausted his/her sick or vacation leave (this applies to personal illness only).

The employee has 21 days to resubmit the Form 11 with the missing items. If the employee does not return within the allotted time Form 11 with the missing items the GIC will bill the employee at the full cost premium.

## Leave Without Pay – Approval Of Form 11

The GIC will approve Form 11 for a period of up to six (6) months. The length is dependent on the employee's illness and the agency's approval period. Approval of a Form 11 will entitle the employee to pay part cost monthly premiums for his/her GIC coverage. The GIC will direct bill the employee at the part cost premium. This is the amount that is normally deducted from the employee's salary.

If the employee does not return to work before the expiration date of the Form 11 approval, a renewal application must be completed:

- 1) The employee, his/her physician, and the

- Agency Head complete a new Form 11.
- 2) You or the employee sends the completed Form 11 and a new Agency Head approval letter to the GIC.
- 3) You also complete a new Insurance Enrollment and Change Form (Form-1) on behalf of the employee. Indicate whether the leave is with or without pay, the leave type, the original start date and the new end date.
- 4) Photocopy the Insurance Enrollment and Change Form (Form-1) and file it in the employee's personnel file.
- 5) Send the **original** Insurance Enrollment and Change Form (Form-1) to the GIC.

### LEAVE WITHOUT PAY AT FULL COST PREMIUM

If an employee takes an approved leave without pay for the following reasons, the employee can continue GIC coverage by paying 100% of the premium. The GIC will direct bill the employee at his/her home:

- ❖ Educational
- ❖ Family leave to care for a dependent over age 3
- ❖ Sabbatical
- ❖ Personal reasons
- ❖ Employee suspension

#### To process these leaves:

- 1) Complete Insurance Enrollment and Change Form (Form-1) on behalf of the employee.
- 2) Photocopy the Insurance Enrollment and Change Form (Form-1) and file it in the employee's personnel file.
- 3) Send the **original** Insurance Enrollment and Change Form (Form-1) to the GIC.
- 4) Update your payroll system.

### FMLA LEAVE

An employee who is on an approved leave of absence due to the Family Medical Leave Act (FMLA) he/she may continue health and life coverage at their current employee contribution percentage for twelve weeks.

#### To process an FMLA leave:

- 1) Complete Insurance Enrollment and Change Form (Form-1) on behalf of the employee.

- 2) Photocopy the Insurance Enrollment and Change Form (Form-1) and file it in the employee's personnel file.
- 3) Send the **original** Insurance Enrollment and Change Form (Form-1) to the GIC.
- 4) Update your payroll system.

### MILITARY LEAVE

An employee who is on leave of absence due to active military service in the United States Armed Forces may drop his or her insurance coverage for the duration of his or her leave of absence. Upon return to active employment, the employee's insurance coverage shall be restored on the same terms as would be in effect if the leave of absence had not occurred.

Alternatively, an employee may continue his or her insurance during military leave of absence on the same terms as active employees.

Employees with GIC coverage taking an unpaid military leave of absence may do one of the following:

- ❖ Cancel all insurance coverage. The employee will be reinstated with the same GIC coverage he or she carried immediately prior to the unpaid military leave of absence.
- ❖ Cancel health coverage and retain life insurance only coverage. The monthly premiums for the life insurance only coverage will be payable by part-cost direct billings which will be sent to the employee's address on file at the GIC.

Military Members may want to compare their GIC benefits with those offered by the Federal Government for military members to determine whether the Federal Government's coverage will be sufficient for their spouse and/or dependents. Or, employee with family coverage may want to continue coverage for the benefit of their family. GIC will direct bill the employee for his or her share of premiums at his or her home address. As long as the monthly premiums are paid, the employee's family can continue excellent group benefits.

Employees with individual coverage may cancel all their coverage. This coverage can be reinstated upon return from military leave.

**To Process a Military Leave:**

- 1) Complete Insurance Enrollment and Change Form (Form-1) on behalf of the employee.
- 2) Photocopy the Insurance Enrollment and Change Form (Form-1) and file it in the employee's personnel file.
- 3) Send the **original** Insurance Enrollment and Change Form (Form-1) to the GIC.
- 4) Update your payroll system.

The employee must complete a Health Insurance Responsibility Disclosure (HIRD) form:

- 5) Fill in the lowest available monthly employee share of GIC health insurance individual coverage premium using the most current GIC rate sheet.
- 6) Verify that the employee has completed the form accurately and completely. If the employee refuses to complete the form, document efforts to obtain the information from the employee.
- 7) Retain all HIRD forms for three years and make them available to the Division of Health Care Finance and Policy upon request. **Do not send the form to the GIC.**

Note: If the employee is returning from a military leave of absence, a copy of the Military Discharge Release is required. Send this to the GIC with the completed Form -1.

## RETURNING TO WORK AFTER A LEAVE OF ABSENCE

When an employee returns to work after a leave of absence, complete the following:

- 1) Complete an Insurance Enrollment and Change Form (Form-1) on behalf of the employee. Check off block 5, Return to payroll deduction. Indicate the first date back on payroll.
- 2) Photocopy the form and file it in the employee's personnel file.
- 3) Send the **original** Insurance Enrollment and Change Form (Form-1) to the GIC.
- 4) The GIC will change the employee's payment status from direct bill to payroll deduction.
- 5) Update your payroll system to resume payroll deductions.

## TERMINATING STATE SERVICE

All persons being leaving state service must be given a copy of the Federal COBRA Notice (see the GIC's website for the form) at the time of their leaving state service.

Appointing authorities (all agencies) must advise employees leaving state service of their right to continue group insurance coverage. When an employee advises you that he or she is leaving state service:

- 1) Advise the employee that their LTD coverage is over.
- 2) Complete Insurance Enrollment and Change Form (Form-1) on behalf of the employee. Check termination box 9. For the termination reason, enter "leaving state service". For the termination date, enter the last day of work (exclude vacation time).
- 3) Photocopy the completed Insurance Enrollment and Change Form (Form-1) and file it in the employee's personnel file.
- 4) Send the **original** Insurance Enrollment and Change Form (Form-1) to the GIC.
- 5) Enter the termination information in your payroll system.

The employee may continue life insurance coverage at the same group rate under the portability option, unless he or she is retiring. The GIC's life insurance carrier will contact employees leaving state service directly with this information.

The employee's health options depend on his or her length of state service. See the corresponding options and procedures below. Options are listed in order of recommended selection.

## LESS THAN 10 YEARS OF STATE SERVICE

**Option I:** Keep GIC health coverage only under COBRA.

**Benefit:** Allows the employee to stay in the same plan with the same group rate (e.g. less expensive than individual non-group coverage).  
**Drawbacks:** Employee pays 100% of the premium plus 2% for administration (no Commonwealth contribution). Maximum coverage length – 18 months.

**Procedure:** If the employee elects COBRA, check the COBRA block on Insurance Enrollment and Change Form (Form-1) before sending it to the GIC. Give the employee a COBRA application (available on the GIC's website.) Instruct the employee to complete and return the COBRA application directly to the GIC.

**Option II:** Convert to Non-Group health with current plan(s).

**Benefit:** Can keep coverage beyond 18 months.  
**Drawback:** Rates and benefits almost always lower than GIC plan coverage.

**Procedure:** Check non-group conversion on Insurance Enrollment and Change Form (Form-1) before sending it to the GIC. Instruct the employee to contact their health plan for a non-group conversion application, benefit changes, procedures and costs.

**Option III:** Continue basic life and/or optional life coverage under portability option.

**Procedure:** Let the employee know that the GIC will advise its life insurance carrier that the employee has left state service and that the life insurance carrier will automatically send portability information and an application in the mail to the employee.

**Option IV:** Convert to Non-Group life insurance with current plan.

**Drawback:** Rates and benefits almost always lower than GIC plan coverage.

Procedure: Let the employee know that the GIC will notify its life insurance carrier that the employee has left state service; the carrier will mail a conversion package to the employee's home.

## TEN OR MORE YEARS OF STATE SERVICE

Instruct the employee to contact their retirement board to confirm retirement eligibility.

If the employee is under age 55 with ten years, but less than twenty years of state service, we recommend that the employee elect Deferred Retirement. Under this option, the employee must keep his/her money in the retirement system until he/she retires. This enables the employee to pick up health coverage at the retiree contribution rate when he or she retires. When the employee applies for their pension (at retirement) he or she should notify the GIC in order to pick up health coverage.

If the employee will not receive health coverage through another employer, he or she can keep health and life coverage at the full cost premium until retirement.

### **Option I:** Deferred Retirement Coverage:

Advise employees that they have two health and life options under Deferred Retirement:

- a) Keep basic life insurance, paying 100% of the premium as a deferred retiree. Get health coverage elsewhere until retirement. Resume GIC health coverage at retirement. At retirement, the Commonwealth will contribute the prevailing contribution percentage for retirees.

Procedure: Instruct the employee to check the deferred retirement block on the Insurance Enrollment and Change Form (Form-1), indicate his/her life and health selection and sign it before returning it to the GIC.

- b) Keep basic life and health insurance, paying 100% of the premium until

retirement. Advise the employee that if he or she gets health coverage elsewhere before retirement, to continue to keep, at a minimum, basic life insurance to ensure health benefits at retirement (Option a).

Procedure: Instruct the employee to check the Deferred Retirement block on the Insurance Enrollment and Change Form (Form-1), indicate his/her life and health selection and sign it before returning it to the GIC.

For the other alternatives, see the benefits, drawbacks, and procedures for LESS THAN 10 YEARS OF SERVICE:

- Option II: Keep GIC health coverage only under COBRA.
- Option III: Convert to Non-Group health and/or life coverage with current plan(s).

## TWENTY OR MORE YEARS OF STATE SERVICE AT ANY AGE OR TEN OR MORE YEARS OF STATE SERVICE AGE 55 OR OVER ARE ELIGIBLE FOR RETIREMENT AND GIC HEALTH COVERAGE

Instruct the employee to contact their retirement board to confirm retirement eligibility. See the RETIREMENT section of this manual for other important retirement information and procedures.

**Option I:** Retirement Coverage: See RETIREMENT section for procedures.

**Option II:** Deferred Retirement Coverage: See procedure under 10 OR MORE YEARS OF SERVICE:

- a) Keep basic life insurance only paying 100% of the premium until retirement.
- b) Keep basic life and health insurance paying 100% of the premium until retirement.

For the following options see the benefits, drawbacks and procedures for LESS THAN 10 YEARS OF STATE SERVICE:

- Option III**    Keep GIC health coverage only under COBRA.
- Option IV:**    Convert to Non-Group health and/or life coverage with current plan(s).





Appointing authorities (all agencies) must advise laid off employees of their right to continue group insurance coverage at the time the employee receives a layoff notice. All persons leaving state service must be given a copy of the Federal COBRA Notice (see the GIC's website for the form) at the time of their layoff. As soon as you know of a layoff:

- 1) Advise the employee that LTD coverage ends.
- 2) Complete Insurance Enrollment and Change Form (Form-1) on behalf of the employee. Check termination box 9. For the termination reason, enter "layoff". For the termination date, enter the last day of work.
- 3) Photocopy the completed Insurance Enrollment and Change Form (Form-1) and file it in the employee's personnel file.
- 4) Send the original Insurance Enrollment and Change Form (Form-1) to the GIC.
- 5) Enter the layoff information into your payroll system.

The employee's health options depend on his or her length of state service. See the corresponding options and procedures below. Options are listed in order of recommended selection.

The employee may also continue life insurance coverage under the portability option. The GIC will send the life insurance carriers the name and address of laid off employees; the GIC's life insurance carrier will contact the laid off employee directly with portability information. The portability option is not available for employees who retire as the result of a layoff.

## LESS THAN 10 YEARS OF SERVICE

**Option I:** Keep GIC health and life coverage for 39-weeks.

**Benefit:** Allows the employee to stay in the same health and life plan with the same group

benefit (e.g. less expensive than individual non-group coverage).

**Drawback:** Employee pays 100% of the premium (no Commonwealth contribution). At the end of the 39-weeks, the former employee can switch to COBRA for the remaining 9 months of health coverage, for a total of 18 months coverage. The employee can elect non-group conversion for their life coverage (see next page).

**Procedure:** If the employee elects 39-week coverage, have the employee check the 39-week coverage block on Insurance Enrollment and Change Form (Form-1) and indicate his/her life and health selections and sign it before sending the form to the GIC.

**Option II:** Keep GIC health coverage only under COBRA.

**Benefit:** This is a federal law that allows the employee to the same group rates (e.g. less expensive than individual non-group coverage).  
**Drawbacks:** Employee pays 100% of the full-cost premium plus 2% for administration (no Commonwealth contribution). Maximum coverage length – 18 months.

**Procedure:** If the employee elects COBRA, complete the following:

- 1) Check the COBRA block on Insurance Enrollment and Change Form (Form-1).
- 2) Photocopy the Insurance Enrollment and Change Form (Form-1) and file in the employee's personnel file.
- 3) Send **original** Insurance Enrollment and Change Form (Form-1) to the GIC.
- 4) Give the employee a COBRA application (available on the GIC's website). Let the employee know that he/she will also receive a COBRA application at home.



Advise the employee that although he/she has 60 days to elect COBRA coverage, the coverage is effective the first day of the month following the coverage ending date. The longer the employee waits to send in the application, the more he/she will owe in retroactive premiums.

**Option III:** Convert to Non-Group health and/or life coverage with current plan(s).

Benefit: Can keep coverage beyond 18 months.  
Drawback: Rates and benefits almost always lower than GIC plan coverage.

Procedure:

- 1) Check non-group conversion on Insurance Enrollment and Change Form (Form-1) before sending it to the GIC.
- 2) Instruct the employee to contact their health plan for a non-group conversion application, benefit changes, procedures and costs.
- 3) The GIC will notify its life insurance carrier of the layoff; the carrier will automatically send the employee a conversion package.

## 10 OR MORE YEARS OF SERVICE

Instruct the employee to contact their retirement board to confirm retirement eligibility. Employee must be vested and must keep retirement monies in the system.

**Option I:** Deferred Retiree Coverage: Advise employees that they have two health and life options under Deferred Retirement.

- a) Keep life insurance paying 100% of the premium as a Deferred Retiree. Get health coverage elsewhere until retirement. Resume GIC health coverage at retirement. At retirement, the Commonwealth will contribute the prevailing contribution percentage for retirees.

Procedure: Direct the employee to check the Deferred Retiree block on the Insurance Enrollment and Change Form (Form-1), indicate

his/her life selections and sign it before sending the form to the GIC.

- b) Keep life and health insurance paying 100% of the premium until retirement. Advise the employee that if he or she gets coverage elsewhere before retirement, to continue to keep basic life and health insurance to ensure health benefits at retirement (option a).

Procedure: Instruct the employee to check the deferred retiree block on Insurance Enrollment and Change Form (Form-1), indicate his/her life and health selection and sign it before returning it the GIC.

For the other alternatives, see the benefits, drawbacks, and procedures under LESS THAN 10 YEARS OF SERVICE:

**Option II:** Keep GIC health benefits and life coverage for 39-weeks.

**Option III:** Keep GIC health coverage only under COBRA.

**Option IV:** Convert to Non-Group health and/or life coverage with current plan(s).

## 20 OR MORE YEARS OF SERVICE

*If the employee is eligible for retirement, but wants to defer retirement to collect a better pension (working elsewhere and obtaining health coverage through that employer), advise the employee to keep his/her basic life coverage so that he/she may pick up health benefits when they retire. Follow procedure for 10 OR MORE YEARS OF SERVICE.*

Instruct the employee to contact their retirement board to confirm retirement eligibility. See the RETIREMENT section of this manual for procedures and other important information.

Advise them that if they retire, they may continue to have the same health and basic life coverage and rates as when working (plus annual increases). The Commonwealth contributes the prevailing retiree premium percentage.

**Option I:** Retirement Coverage: See RETIREMENT section.

**Option II:** Deferred Retirement Coverage (see benefits, drawbacks, and procedures for 10 OR MORE YEARS OF SERVICE:

- c) Keep basic life insurance only paying 100% of the premium until retirement.
- d) Keep basic life and health insurance paying 100% of the premium until retirement.

For the following options, refer to the LESS THAN 10 YEARS OF SERVICE section:

**Option III:** Keep GIC health and life coverage for 39-weeks.

**Option IV:** Keep GIC health coverage only under COBRA.

**Option V:** Convert to Non-Group health and/or life coverage with current plan(s).

If an employee has twenty (20) or more years of state service at any age, or ten or more years of state service and is age 55 or over, he/she is eligible for retirement and GIC health coverage. Ensure that the employee has confirmed his/her retirement eligibility with his/her retirement board and applies for retirement benefits.

## RETIREMENT PROCEDURES

- 1) On Insurance Enrollment and Change Form (Form-1) check box 6 (Retirement). Indicate the date of retirement and instruct the employee to review his or her health and life benefits.
- 2) Review Insurance Enrollment and Change Form (Form-1) for completeness and sign it.
- 3) Photocopy Insurance Enrollment and Change Form (Form-1) and file in the employee's personnel file.
- 4) Send the **original** Insurance Enrollment and Change Form (Form-1) to the GIC.
- 5) Update your payroll system with the appropriate action reason.

Advise the employee that the GIC will direct bill him/her for the premium until the GIC can arrange to have premiums deducted from the pension check, usually in three to four months.

## CHANGING HEALTH PLANS AT RETIREMENT

### Under Age 65 with GIC Coverage

At retirement an employee with GIC health coverage may change his/her health plans.

- 1) Instruct employee/retiree to indicate changes on Insurance Enrollment and Change Form (Form-1) and sign it.
- 2) Instruct the employee/retiree to fill out the corresponding HMO application, only if NHP Care is selected.
- 3) Review the forms for completeness and sign.
- 4) Photocopy the forms and file them in the employee's personnel file.

- 5) Send the **original** forms to the GIC; send the NHP Care application, if elected, directly to the Plan.

### Under Age 65 without GIC Coverage

If an employee is retiring and does not have GIC coverage, he/she may enroll in GIC coverage:

- 1) The employee/retiree completes and signs the following forms:
  - ❖ Insurance Enrollment and Change Form (Form-1).
  - ❖ Beneficiary Designation Form 319 for basic life insurance (one to three beneficiaries) or G-500 (four or more beneficiaries or special designations such as estate or trust).
  - ❖ Insurance Data Form (IDF) for family coverage. Must also provide:
    - For spousal coverage – copy of marriage certificate.
    - For dependent coverage under age 19 – copy of birth certificate(s)
    - For dependent coverage age 19 or over – Dependent Age 19 or Over Application for Coverage and a copy of birth certificate.
    - For former spouse – provide following sections of the legal separation or divorce decree: page with absolute date, health insurance language, signature pages, and former spouse's address.
  - ❖ HMO Application – only if NHP Care is selected.

- 2) Verify that the forms above are completed accurately and completely. Ensure that both you and the employee/retiree have signed and dated all forms.
- 3) Photocopy completed GIC forms and file them in the employee/retiree's personnel file.
- 4) Send **original** signed forms to the GIC. Send the HMO, only if NHP Care is selected, directly to the Plan.

## Age 65 or over With or Without GIC Coverage

If the employee or his/her spouse is 65 or over, instruct him/her and his/her spouse to contact Social Security to find out about their Medicare eligibility. If eligible, the employee and/or spouse must enroll in Medicare Part A and Part B. The GIC will contact the retiree about his/her health plan options, and the corresponding procedures.

## OPTIONAL LIFE INSURANCE

If the employee has optional life insurance coverage, instruct him/her to review it and the rate chart. The cost increases with age and at retirement. The employee may decrease or cancel their optional life insurance coverage. To do so, the employee must complete Section 2 of Insurance Enrollment and Change Form (Form-1) before submitting it to the GIC.

If the retiree decides to cancel or decrease his/her optional life insurance coverage at a later date, he/she must contact the GIC in writing, or by downloading the Insurance Enrollment and Change Form (Form-1) from our website, completing and sending it directly to the GIC.

## LONG TERM DISABILITY

Advise the employee/retiree that Long Term Disability coverage automatically ends at retirement. You do not need to do anything.

# HEALTH CARE SPENDING ACCOUNT (HCSA) DEPENDENT CARE ASSISTANCE (DCAP) FSA PROGRAMS

## ENROLLMENT

The Health Care Spending Account (HCSA) and Dependent Care Assistance Program (DCAP) enrollment is on an annual basis from January to December. Open enrollment will take place in the fall of each year and employees must re-enroll each year. The HCSA, DCAP and program fee deductions are taken from the employee's pay on a pre-tax basis, reducing their federal and state income taxes. Employees can elect a pre-tax deduction of a minimum to a maximum amount noted on the HCSA/DCAP Enrollment and Change Form and on the GIC website. Employees are allowed to enroll in HCSA/DCAP during open enrollment, as a new hire or with a change in status. All updates, including forms, brochures, new policies and minimum/maximum contributions for each plan year are available on the GIC website.

## ELIGIBILITY AND EFFECTIVE DATES

**HCSA:** Active state employees who work half-time or more and are eligible for health benefits with the GIC are eligible for HCSA. Enrollment in a GIC benefit plan is not required. The coverage effective date is the same as for health benefits (see the first section of this manual).

**DCAP:** Active state employees who work half-time or more and have employment-related expenses for a dependent child under the age of 13 and/or a disabled adult dependent are eligible for DCAP. Employees can enroll in DCAP effective as of the date of hire.

## OPEN ENROLLMENT AND NEW HIRE PROCEDURES

- 1) Instruct the employee to complete, sign and date the HCSA/DCAP Enrollment and Change Form. See direct deposit instructions on the form.
- 2) Complete the Payroll Coordinator section

of the form. Indicate your Department ID# (ABC/1000).

- 3) If your payroll system allows for the HCSA/DCAP/HCSAF pre-tax deductions, and your agency wants to participate in the GIC's FSA Program, contact the GIC for instructions on how to participate.
- 4) Send the original of the completed and signed form to the HCSA/DCAP carrier. Note: Failure to send a form to the HCSA/DCAP carrier will result in an employee not receiving reimbursement for an eligible HCSA and/or DCAP expense.
- 5) File a copy of the application in the employee's personnel file. **Do not send forms to the GIC.**

## CHANGE IN STATUS

Employees may during the year enroll in HCSA/DCAP, change their contribution, or terminate their election if there is a change in status according to IRS guidelines listed below. If you are unsure whether an event qualifies as an IRS-qualified event, contact the HCSA/DCAP carrier:

- Change in legal marital status.
- Change in number of dependents.
- Change in employment status.
- Change in work schedule which changes eligibility for the program.
- Dependent satisfies or ceases to satisfy eligibility requirements.
- Change of residence or work-site.
- Judgment, decree or order pertaining to child or spouse.

### To process these changes:

- 1) Instruct the employee to complete, sign and date the HCSA/DCAP Enrollment and Change Form. See the direct deposit instructions on the form.
- 2) Complete the Payroll Coordinator section

of the form. Indicate your Department ID# (ABC/1000).

- 3) Obtain from the employee a document establishing a change in status. Acceptable proof includes a marriage or birth certificate or a letter from an employer stating that coverage has been terminated.
- 4) If your payroll system allows for the HCSA/DCAP/HCSAF pre-tax deductions, contact the GIC to set up the payroll deduction process with the FSA carrier.
- 5) Send the original of the completed and signed form to the HCSA/DCAP carrier. Note: Failure to send a form to the HCSA/DCAP carrier will result in an employee not receiving reimbursement for an eligible HCSA and/or DCAP expense.
- 6) File a copy of the application in the employee's personnel file. **Do not send forms to the GIC.**

- 4) File a copy of the form in the employee's personnel file. **Do not send the form to the GIC.**

### TERMINATING STATE SERVICE: HCSA AND COBRA

If an employee terminates from employment or goes on an unpaid leave of absence and is enrolled in the Health Care Spending Account, he/she may be eligible for COBRA. An employee can continue to make post-tax contributions to their HCSA.

Instruct the employee to complete the HCSA COBRA application (available on our website) and return to the GIC, attention FSA Department. The GIC will contact the FSA carrier to determine the COBRA amount.

### TERMINATION OF EMPLOYMENT/UNPAID LEAVE OF ABSENCE

If an employee terminates employment or is on an unpaid leave of absence, the HCSA/DCAP carrier must be notified. Once the HCSA/DCAP carrier is notified of the termination/unpaid leave of absence date and last paycheck deduction, the employee will be terminated from the HCSA/DCAP plan. If an employee returns to work during the plan year, he/she can re-enroll in the HCSA and/or DCAP plan by completing the HCSA/DCAP Enrollment and Change Form. Note: If an employee re-enrolls, they can only elect up to the calendar year maximum for HCSA and DCAP.

To process a termination of employment or unpaid leave of absence:

- 1) Complete the Health Care/Dependent Care Participant Termination/Unpaid Leave of Absence Form on behalf of the employee.
- 2) Sign and date the form.
- 3) Send the original of the Health Care/Dependent Care Participant Termination/Unpaid Leave of Absence Form to the HCSA/DCAP carrier.

## GIC COORDINATOR, AGENCY HEAD, OR ADDRESS CHANGE

Please be sure to notify the GIC of GIC Coordinator and Agency Head name, e-mail, and/or address changes. This will ensure that the agency continues to receive GIC materials and updates. Call the GIC Operations Department extension 7061 with these changes.

The GIC sends all GIC Coordinators the following reports on a monthly basis. Be sure to follow the enclosed procedures:

You may receive up to three monthly insurance billing reports:

- ❖ Health and Life coverage
- ❖ Dental/Vision
- ❖ LTD

There are also three separate statements of verification forms that correspond to these three reports.

## MONTHLY INSURANCE BILLING REPORT

The Monthly Insurance Billing Report is an alphabetical list of employees by agency, who are insured with the Group Insurance Commission for the Basic Life, Health, and Optional Life Insurance coverage.

1) Each month, review and verify the following information shown on the report:

- ❖ GIC ID Numbers and names for all insureds should agree with your agency's records.
- ❖ Coverage for each insured should agree with your agency's records.
- ❖ The premium due for each insured should agree with your agency's records.

2a) If the Monthly Insurance Billing Report contains incorrect GIC-ID numbers, names, coverage, or premium due GIC; please indicate these discrepancies on the Statement of Verification (discrepancy report) with the following information:

- The agency/division number (as it appears on the report).
- The premium due month.
- Check off box "Discrepancies are as listed".
- Employee's GIC ID number (as it appears on the report).
- Employee's name (last, first, middle initial).
- Premium Amount (see premium reconciliation procedure).
- Explanation of discrepancy:
  - Briefly describes the discrepancy.
  - Include the date and reason for all terminations of insurance coverage.
  - Include the retirement date for an employee who has retired.
  - For an employee who is on a leave of absence without pay, include the duration of leave (with start and end dates) and reason for leave.
- Signature of Authorized Official and Date.

3a) Photocopy the Statement of Verification for your agency file.



4a) Send the **original** Statement of Verification to the Group Insurance Commission by the date requested.

2b) If the Monthly Insurance Billing Report contains no discrepancies, please send the Statement of Verification (discrepancy report) to the Group Insurance Commission with the following information:

- The agency/division number.
- The premium due month.
- Check off box “Agency has no discrepancies”.
- Signature of Authorized Official and Date

3b) Photocopy the Statement of Verification for your agency file.

4b) Send the original Statement of Verification to the Group Insurance Commission by the date requested.

### Monthly Insurance Billing Report Premium Reconciliation Procedure

- 1) Record the “Total Amount Due For Agency” from the Monthly Insurance Billing Report in the “Grand Total from Billing Report” on the Statement of Verification.
- 2) Obtain the “New Total”, on the Statement of Verification, from the total deductions from your payroll.
- 3) On the Statement of Verification, subtract the “Grand Total from Billing Report” from the “New Total” and record the resulting (+) or (-) in the “Combined Total of Basic and Optional Discrepancies”.
- 4) Compare the premium due for Life and Health coverage for each employee with your payroll for the appropriate month. (For example, compare the January report to the December payroll). Record the differences as follows:

Compare Deduction With GIC Premium Due	Amount To Be Recorded on Discrepancy Report
GIC premium due is equal to payroll premium deducted	No action is required
GIC premium due is greater than payroll premium deducted	Record the difference as a minus (-)
GIC premium due is less than payroll premium deducted	Record the difference as a plus (+)
Employee appear on GIC report but no deduction	Record the premium due as a minus (-)
Employee had deduction but not on GIC report	Record the deduction as a plus (+)

- 5) Compute the Basic Life and Health, and Optional Life for all discrepancy amounts (+) or (-) and record it in the column boxes “TOTAL” on the Statement of Verification. The resulting combined Total **must** equal the “Combined Total of Basic and Optional Discrepancies”.

### MONTHLY INSURANCE BILLING REPORT FOR DENTAL/VISION COVERAGE

The Monthly Insurance Billing Report For Dental/Vision Coverage is an alphabetical list of employees by agency, who are insured with the Group Insurance Commission (GIC) for the Dental/Vision coverage.

1) Each month, review and verify the following information shown on the report:

- ❖ GIC ID Numbers for all insureds should agree with your agency's records.
- ❖ Coverage for each insured should agree with your agency's records.
- ❖ The premium due for each insured should agree with your agency's records.

2a) If the Monthly Insurance Billing Report For Dental/Vision Coverage contains incorrect GIC-ID numbers, names, coverage, or premium due GIC; please indicate these discrepancies on the Statement of Verification (discrepancy report) with the following information:

- The agency/division number (as it appears on the report).
- The premium due month.
- Check off box "Discrepancies are as listed".
- Employee's GIC ID number (as it appears on the report).
- Employee's name (last, first, middle initial).
- Premium Amount (see premium reconciliation for Dental/Vision coverage).
- Explanation of discrepancy:
  - Briefly describe the discrepancy.
  - Include the date and reason for all terminations of insurance coverage.
  - Include the retirement date for an employee who has retired.
  - For an employee who is on a leave of absence without pay, include the duration of leave (with start and end dates) and reason for leave.
- Signature of Authorized Official and Date.

3a) Photocopy the Statement of Verification for your agency file.

4a) Send the original Statement of Verification to the Group Insurance Commission by the date requested.

2b) If the Monthly Insurance Billing Report For Dental/Vision Coverage contains no discrepancy, please send the Statement of Verification (discrepancy report) to the Group Insurance Commission with the following information:

- The agency/division number.
- The premium due month.
- Check off box "Agency has no discrepancies".
- Signature of Authorized Official and Date

3b) Photocopy the Statement of Verification for your agency file.

4b) Send the original Statement of Verification to the Group Insurance Commission by the date requested.

### **Monthly Insurance Billing Report For Dental/Vision Coverage Premium Reconciliation Procedure**

- 1) Record the "Total Amount Due For Agency" from the Monthly Insurance Billing Report for Dental/Vision Coverage in the "Grand Total from Dental/Vision Report" on the Statement of Verification.
- 2) Obtain the "New Total", on the Statement of Verification, from the total deductions from your payroll.
- 3) On the Statement of Verification, subtract the "Grand Total from Dental/Vision Report" from

the “New Total” and record the resulting (+) or (-) in the “Total Discrepancy Amounts”.

- 4) Compare the premium due for Dental/Vision coverage for each employee with your payroll for the appropriate month. (For example, compare the January report to the December payroll). Record the differences as follows:

Compare Deduction With GIC Premium Due	Amount To Be Recorded on Discrepancy Report
GIC premium due is equal to payroll premium deducted	No action is required
GIC premium due is greater than payroll premium deducted	Record the difference as a minus (-)
GIC premium due is less than payroll premium deducted	Record the difference as a plus (+)
Employee appear on GIC report but no deduction	Record the premium due as a minus (-)
Employee had deduction but not on GIC report	Record the deduction as a plus (+)

5. Compute the premium amount for all discrepancy amounts (+) or (-) and record it in the column box “TOTAL” on the Statement of Verification. The resulting Total **must** equal the “Total Discrepancy Amounts”.

## MONTHLY INSURANCE BILLING REPORT FOR LONG TERM DISABILITY (LTD) COVERAGE

The Monthly Insurance Billing Report For Long Term Disability Coverage is an alphabetical list of employees by agency, who are insured with the Group Insurance Commission (GIC) for the LTD coverage. This report provides the following information:

- 1) Each month, review and verify the following information shown on the report:

- ❖ GIC ID Numbers and names for all insureds should agree with your agency’s records.
- ❖ Coverage for each insured should agree with your agency’s records.
- ❖ The premium due for each insured should agree with your agency’s records.

2a) If the Monthly Insurance Billing Report For LTD Coverage contains incorrect GIC-ID numbers, names, coverage, or premium due GIC; please indicate these discrepancies on the Statement of Verification (discrepancy report) with the following information:

- The agency/division number (as it appears on the report).
- The premium due month.
- Check off box “Discrepancies are as listed”.
- Employee’s GIC ID number (as it appears on the report).
- Employee’s name (last, first, middle initial).
- Premium Amount (see premium reconciliation for LTD coverage).
- Explanation of discrepancy:
  - Briefly describes the discrepancy.
  - Include the date and reason for all terminations of insurance coverage.
  - Include the retirement date for an employee who has retired.
  - For an employee who is on a leave of absence without pay, include the duration of leave

(with start and end dates) and reason for leave.

- Signature of Authorized Official and Date.

3a) Photocopy the Statement of Verification for your agency file.

4a) Send the original Statement of Verification to the Group Insurance Commission by the date requested.

2b) If the Monthly Insurance Billing Report For LTD Coverage contains no discrepancy, please send the Statement of Verification (discrepancy report) to the Group Insurance Commission with the following information:

- The agency/division number.
- The premium due month.
- Check off box “Agency has no discrepancies”.
- Signature of Authorized Official and Date

3b) Photocopy the Statement of Verification for your agency file.

4b) Send the **original** Statement of Verification to the Group Insurance Commission by the date requested.

### Monthly Insurance Billing Report For LTD Coverage

#### Premium Reconciliation Procedure

- 1) Record the “Total Amount Due For Agency” from the Monthly Insurance Billing Report for LTD Coverage in the “Grand Total from LTD Report” on the Statement of Verification.
- 2) Obtain the “New Total,” on the Statement of Verification from the total deductions from your payroll.
- 3) On the Statement of Verification, subtract the “Grand Total from LTD Report” from the “New Total” and record the resulting (+) or (-) on the “Total Discrepancy” amount.
- 4) Compare the premium due for LTD coverage for each employee with your payroll for the appropriate month. (For example, compare the January report to the December payroll). Record the differences as follows:

Compare Deduction With GIC Premium Due	Amount To Be Recorded on Discrepancy Report
GIC premium due is equal to payroll premium deducted	No action is required
GIC premium due is greater than payroll premium deducted	Record the difference as a minus (-)
GIC premium due is less than payroll premium deducted	Record the difference as a plus (+)
Employee appear on GIC report but no deduction	Record the premium due as a minus (-)
Employee had deduction but not on GIC report	Record the deduction as a plus (+)

5) Compute the premium amount for all discrepancy amounts (+) or (-) and record it in the column box “TOTAL” on the Statement of Verification. The resulting Total **must** equal the “Total Discrepancy Amounts”.

# BASIC LIFE AND HEALTH AND OPTIONAL LIFE COVERAGE

## STATEMENT OF VERIFICATION FOR OFF-LINE AGENCIES

(Discrepancy Report)

(NOTE: This report is to be sent to GIC every month. The actual billing document is your copy and does not have to be returned).

Please check one:

☐ Agency has no discrepancies

AGENCY/DIVISION: \_\_\_\_\_ / \_\_\_\_\_

☐ Discrepancies are as listed

PREMIUM DUE MONTH: \_\_\_\_\_  
(Example: Premium deducted in July is for the August premium due month).

GIC - ID Number	Name	Basic Life and Health Amount	Optional Life Amount	Explanation	GIC Use Only
TOTAL:		TOTAL:	TOTAL:		

Grand Total from Billing Report -----\$ \_\_\_\_\_

Combined Total of Basic and Optional Discrepancies (plus or minus) -----\$ \_\_\_\_\_

New Total (This amount **MUST** equal your payroll warrant or check). -----\$ \_\_\_\_\_

Note: This discrepancy report should be used to report all differences to the GIC (except Dental/Vision and LTD are reported separately). Please make as many copies as you need.

I hereby confirm that the information stated above is correct.

Signature of Authorized Official

Date



LTD COVERAGE  
STATEMENT OF VERIFICATION  
FOR OFF-LINE AGENCIES

(Discrepancy Report)

(NOTE: This report is to be sent to GIC every month. The actual billing document is your copy and does not have to be returned).

Please check one:

☐

Agency has no discrepancies

AGENCY/DIVISION: \_\_\_\_\_ / \_\_\_\_\_

☐

Discrepancies are as listed

PREMIUM DUE MONTH: \_\_\_\_\_

(Example: Premium deducted in December is for the January premium due month).

GIC - ID Number	Name	Premium Amount	Explanation	GIC Use Only
		TOTAL:		

Grand Total from LTD Report -----\$ \_\_\_\_\_

Total Discrepancies Amounts (plus or minus) -----\$ \_\_\_\_\_

New Total (This amount **MUST** equal your  
payroll warrant or check for LTD). -----\$ \_\_\_\_\_

Note: This discrepancy report should be used to report all LTD differences to  
the GIC. Please make as many copies as you need.

I hereby confirm that the information stated above is correct.

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Date